

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07

L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 TRSE-00 EB-07 OMB-01 AID-05 SSC-01 /072 W

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R 071518Z JUL 77

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 915

INFO AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: PINT, ECON, SP

SUBJECT: GOVERNMENTAL REORGANIZATION

REF: MADRID 5083

1. SUMMAY: SLIGHTLY IN ADVANCE OF NAMING THE NEW GOVERNMENT, THE OUTGOING COUNCIL OF MINISTERS OF JULY 4 APPROVED A ROYAL DECREE RESTRUCTURING MINISTERIAL FUNCTIONS. IN DEFERENCE TO THE VIEWS OF OPPOSITION PARTIES AND SOME MEMBERS OF THE UCD COALITION THAT ADMINISTRATIVE REFORMS SHOULD BE APPROVED BY THE NEWLY ELECTED CORTES (PARLIAMENT), THE DECREE EMPHASIZED THAT THE PRESENT MOVE IS ONLY A RESTRUCTURING OF MINISTERIAL FUNCTIONS, WITH MORE COMPREHENSIVE ADMINISTRATIVE REFORM TO COME LATER. BUT IT IS IN FACT A SWEEPING ADMINISTRATIVE REORGANIZATION. AS RESTRUCTURED, THE GOVERNMENT CONSISTS OF THE PRESIDENT (PRIME MINISTER), THREE VICE PRESIDENTS (FOR DEFENSE, ECONOMY AND POLITICS), SIXTEEN MINISTRIES (INCLUDING THE SINGLE DEFENSE MINISTRY AND THE NEW SUPER ECONOMIC MINISTRY, BOTH HEADED BY VICE PRESIDENTS), AND TWO MINISTERS WITHOUT PORTFOLIO (FOR REGIONAL AND PARLIAMENTARY RELATIONS, RESPECTIVELY). THE SIX

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OLD MINISTRIES OF INFORMATION AND TOURISM, SYNDICAL RELATIONS, HOUSING, AND ARMY, NAVY AND AIR FORCE DISAPPEAR, THEIR FUNCTIONS ABSORBED BY OTHER MINISTERIES; GOBERNACION IS RESTRUCTURED BY OTHER MINISTERIES; GOVERNACION IS RESTRUCTURED AND RENAMED INTERIOR; AND FOUR NEW MINISTRIES -- DEFENSE, TRANSPORT AND COMMUNICATION, HEALTH AND SOCIAL

SECURITY, AND CULTURE AND WELFARE -- COME INTO BEING. THE CREATION OF THREE VICE PRESIDENCIES SHOULD PROVIDE FOR BETTER COORDINATION AND CONTROL FROM THE TOP, PARTICULARLY IN THE CASES OF THE MILITARY AND THE ECONOMY, WITH THE LATTER FINALLY GIVEN TOP PRIORITY. PRESS REACTION TO THE REORGANIZATION HAS BEEN UNIFORMLY POSITIVE. END SUMMARY.

2. THE ONLY THREE MINISTRIES CONTINUING WITH THE SAME STRUCTURE AND FUNCTIONS ARE FOREIGN AFFAIRS, JUSTICE AND AGRICULTURE. AS FOR THE REST:
--THE MINISTRY OF THE PRESIDENCY ASSUMES ALL FUNCTIONS IN DIRECT SUPPORT OF THE PRESIDENT OF GOVERNMENT AND GIVES UP ALL THOSE NOT DIRECTLY RELATED TO THIS ROLE, SUCH AS RESPONSIBILITIES FOR FAMILY, YOUTH AND SPORTS AFFAIRS WHICH WERE TEMPORARILY GRAFTED ON WHEN THE NATIONAL MOVEMENT RECENTLY WAS DISMANTELED (AND WHICH PASS TO THE MINISTRY OF CULTURE AND WELFARE), AND THE SUBSECRETARIAT FOR PLANNING AND DEVELOPMENT (WHICH PASSES TO THE NEW ECONOMIC MINISTRY).
-- THE MINISTRY OF DEFENSE REPLACED SEPARATE MINISTRIES OF ARMY, NAVY AND AIR FORCE, AND GIVES UP CIVIL AVIATION TO A NEW MINISTRY OF TRANSPORT AND COMMUNICATION (SEE MADRID 5084 FOR MORE DETAIL).
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-- THE NEW MINISTRY OF ECONOMY TAKES ON WHAT WAS FORMERLY THE PRESIDENCY'S SUBSECRETARIAT FOR PLANNING AND DEVELOPMENT, WHICH WILL BECOME THE SECRETARIAT FOR COORDINATION AND PROGRAM DIRECTION, ASSUMES CONTROL OF THE STATISTICAL INSTITUTE, THE BANK OF SPAIN AND THE BANKING SYSTEM, AND WILL PARTICIPATE ALONG WITH THE FINANCE MINISTRY IN MIXED COMMISSION FOR BUDGET CONTROL AND FINANCIAL POLICY (SEE SEPTEL).
-- THE FINANCE MINISTRY WILL CONCENTRATE MORE ON FISCAL MATTERS WITH NEW SUBSECRETARIATS OF BUDGET AND PUBLIC EXPENDITURE AND WILL GIVE UP CONTROL OF THE BANKING SYSTEM TO THE NEW ECONOMIC MINISTRY. IT ALSO WILL TAKE ON TAX REFORM WHICH IN ADDITION TO BEING SADLY NEEDED, WOULD BE AN IMPORTANT POLITICAL QUID FOR THE GOV OF ECONOMIC STABILIZATION.

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-- THE MINISTRY OF "GOBERNACION" IS RENAMED
INTERIOR AND GIVES UP CONTROL OVER THE POST OFFICE,
TELECOMMUNICATIONS AND HEALTH, WHICH PASS TO OTHER
MINISTRIES.

-- THE MINISTRY OF PUBLIC WORKS AND URBANIZA-
TION INCORPORATES FUNCTIONS OF THE OLD HOUSING
MINISTRY (VIVIENDA), HAS NEW DEPARTMENTS FOR THE
ENVIRONMENT AND LAND DEVELOPMENT, AND GIVES UP
LAND TRANSPORT MATTERS TO THE NEW TRANSPORTATION
MINISTRY.

-- THE MINISTRY OF EDUCATION AND SCIENCE
WILL HAVE A NEW SECRETARIAT FOR UNIVERSITIES AND
RESEARCH. IT WILL TURN OVER ITS RESPONSIBILITIES
IN THE FIELDS OF CULTURE AND ART TO THE NEW
MINISTRY OF CULTURE AND WELFARE.

-- THE MINISTRY OF LABOR, IN ADDITION OF
ITS PREVIOUS FUNCTIONS, TAKES ON THE VESTIGIAL
FUNCTIONS OF THE OLD SYNDICAL MINISTRY AND GIVES
UP SOCIAL SECURITY MATTERS TO THE NEW MINISTRY
OF HEALTH AND SOCIAL SECURITY.

-- THE MINISTRY OF INDUSTRY ADDS ENERGY TO
ITS TITLE AS AN EARNEST OF THE GOVERNMENT'S CONCERNS
IN THIS AREA, BUT WITHOUT REALLY TAKING ON ANY NEW
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RESPONSIBILITIES.

-- THE COMMERCE AND TOURISM MINISTRY ASSUMES
THE TOURISM FUNCTIONS OF THE ABOLISHED MINISTRY OF
INFORMATION AND TOURISM. IT WILL ALSO HAVE CONTROL
OVER PRICES THROUGH ITS "SUPERIOR PRICE COUNCIL."

ON THE OTHER HAND, IT TURNS OVER ITS MERCHANT MARINE SUBSECRETARIAT TO THE TRANSPORT AND COMMUNICATIONS MINISTRY.

-- THE TRANSPORT AND COMMUNICATIONS MINISTRY TAKES ON CIVIL AVIATION, MERCHANT MARINE, LAND TRANSPORT, POSTAL SERVICES, TELECOMMUNICATIONS, AND DIRECTION OF THE NATIONAL TELEPHONE COMPANY.

-- FINALLY, THE NEWLY CREATED CULTURE AND WELFARE MINISTRY WILL BE RESPONSIBLE FOR INFORMATION, INCLUDING RADIO AND TELEVISION, ART, AND CULTURE AND WILL TAKE ON WHAT IS LEFT OF THE DEFUNCT NATIONAL MOVEMENT'S FAMILY, YOUTH AND SPORTS ACTIVITIES.

3. THIS REORGANIZATION DOES INDEED APPEAR TO MAKE A GREAT DEAL OF SENSE, AND INITIAL PRESS REACTION TO IT HAS BEEN UNIVERSALLY FAVORABLE. THE MEDIA HAVE MANIFESTED PARTICULAR SATISFACTION OVER THE EMPHASIS APPARENTLY TO BE GIVEN TO DEALING WITH THE ECONOMIC SITUATION. THERE IS SOME CONSTERNATION AND DIS-SATISFACTION AMONG OFFICIALS OF THE MINISTRIES MOST AFFECTED BY THESE CHANGES, BOTH BECAUSE OF PREDICTABLE BUREAUCRATIC ANXIETY IN THE FACE OF CHANGE AND OUT OF CONCERN THAT REORGANIZATION MAY IN FACT DELAY COMING TO GRIPS WITH PRESSING ECONOMIC PROBLEMS. THE CONCERN IS TEMPERED, HOWEVER, BY SATISFACTION OVER THE CALIBER OF MANY OF THE MINISTERS CHOSEN -- MANY PROFESSIONALS HELD IN HIGH ESTEEM BY OFFICIAL-LIMITED OFFICIAL USE

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